LAND BASED ECOTOURISM
MULTI-DAY HIKING (BACKPACKING AND TREKKING)

Prepared for:

Economic Development Branch
BC Ministry of Sustainable Resource Management

With the Generous Support of:

Skeena Region (MSRM)

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January 2003

BUILDING BLOCKS FOR ECONOMIC DEVELOPMENT & ANALYSIS

PREFACE

PURPOSE

Building Blocks have been conceived and developed by the Economic Development Branch of the Ministry of Sustainable Resource Management, under the guidance of Nancy South, Manager Economic Analysis, as an analytical tool that supports British Columbia coastal and land and resource use planning and decision-making and economic development initiatives. The Blocks contain concise business and sector information for a broad range of resource-based business types in BC. At this point, there are more than 30 Blocks either complete or in draft form. Several more Blocks have been identified as high priority by planning tables and other client groups. Additional Building Blocks will be developed over time, and some Blocks may be updated. For the most current Building Blocks, please see the Ministry of Sustainable Resource Management website, at: http://srmwww.gov.bc.ca/rmd/ecdev/

ACKNOWLEDGEMENTS

Generous support in terms of both funding and staff time has been provided by the Ministries of Energy and Mines; Water, Land and Air Protection; Agriculture, Food and Fish; and Forests, as well as by Skeena and Coast Regions of the Ministry of Sustainable Resource Management.

BENEFITS

Building Blocks are expected to provide the following general benefits:

- Increase efficiency and more informed decision-making by providing readily accessible, credible information to planning and economic development processes;
- Improve the consistency of economic information across planning areas;
- Support economic analysis and decision-making that occurs outside formal coastal and land use planning processes; and
- Provide linkages between economic analysis and other social and environmental analytical tools (through identifying resource requirements to support economic activities and general compatibilities with other sectors and values).

LIMITATIONS

Every effort has been made to ensure that the information contained in Building Blocks is accurate and consistent. Approved, credible data sources are the foundation for Building Blocks. All Blocks were reviewed by sponsoring agencies and other experts. However, users are cautioned that information is used at their own risk, and that the authors and sponsors are not liable for any damages. Any conclusions or interpretations by the authors are not intended to represent government policy. Also, note that Building Blocks do not provide site specific information nor do they consider requirements for sustainability (social, community, environmental).

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RECOMMENDED REFERENCE/CITATION

BC Ministry of Sustainable Resource Management, 2003, Building Blocks for Economic Development and Analysis, *[Title of Sector]*. http://srmwww.gov.bc.ca/rmd/ecdev/

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1.0 INTRODUCTION

Nature-based tourism / Ecotourism is defined as travel to relatively undisturbed areas with the specific objective of admiring, studying and enjoying the scenery and its wild plants and animals as well as existing cultural features found in the area.

Ecotourism activities have been sorted into the following categories:

- **Marine Ecotourism**
  - marine cruising including sailing, yacht and power cruising
  - sea kayaking tours

- **Land based Ecotourism**
  - Bicycle Touring/Mountain Biking
  - Hiking/Backpacking/Trekking
  - Horseback Trail Riding
  - Freshwater River Rafting, Canoeing and Kayaking
  - Winter Tourism (Back Country /Tour Skiing, Dog Sledding, Snow Shoeing)

Please refer to the **Marine Ecotourism Overview** and the **Land-based Ecotourism Overview** documents for background information on the Building Blocks, a definition of Ecotourism, the overview of the Ecotourism sector and the bibliography. The Ecotourism Overviews are an integral component of the suit of Ecotourism Building Blocks.

2.0 OVERVIEW

- Backpacking and trekking both involve hiking into the back country for the purposes of experiencing and learning about the natural environment – the only difference being that backpackers typically carry their own gear whereas trekkers typically carry a light day pack with the bulk of the gear carried by pack animals (horses or llamas).
- This building block includes commercial operators and guides that offer multi day hiking trips in B.C. as their primary activity of business. It also includes operators who provide accommodation such as wilderness lodges, however accommodation facilities are not included as part of this analysis. It excludes recreationists who take part in these activities on their own, and excludes heli-hiking, mountaineering and rock climbing.
- Operations range in size from individual operators who provide guides, camping equipment and pack animals (trekking) to full service lodges that provide a range of ecotourism activities and packages.
- A large number of resort/lodge based operators and individual guide-outfitters offer multi-day backpacking experience throughout B.C. There are approximately 40 operators, primarily guest ranches and guide-outfitters, who also offer multi-day trekking tours. Between 2 and 5 trekking operators use llamas and between 30 and 35 use horse packing.

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- Operators offer multi-day hiking trips ranging on average from 2 days to 14 days with package prices ranging from $140 to $250 per day per person (including guides, camping gear and meals, and some prices include a combination of lodge and camping accommodation).

3.0 LAND RESOURCE REQUIREMENTS/SENSITIVITIES

- Remote backcountry areas with uncrowded trails are ideally suited for multi-day hiking.
- Resource features that support multi-day hiking include attractive scenery, destination features such as lakes and alpine meadows, hot springs, wildlife viewing opportunities and the presence of hiking trails.
- The best hiking areas in B.C. are in areas with spectacular natural settings, access to subalpine and alpine, wildlife and nature viewing potential and suitable terrain for hiking.
- All areas of BC are suited to multi-day hiking although the most popular areas are the Rockies, Columbia Mountain ranges and the Coast Mountains in southwestern British Columbia.
- There is a potential for conflict between hikers and other backcountry users (e.g., ATV, and other motorized users, mountain bikers, horseback riders, helicopter tours and hunting).
- When developing new trails, it may not be possible for operators to acquire an exclusive use tenure, which would limit the ability of the operator to manage use by others.
- In some areas of the province there is a concern over the risk of disease transmission from llamas to wild ungulate populations (especially sheep).
- Tourism trends point to major growth in ecotourism and outdoor packages that are set in natural settings and undisturbed wilderness areas. Land and resource management issues that may affect multi-day hiking include:
  - maintenance of wilderness and undisturbed natural settings
  - protection of wildlife and wildlife habitat
  - access to trail networks and camping sites
  - ecological and social carrying capacity
  - appropriate management strategies to address impacts from competing resource use
  - lack of clarity regarding future tenuring of Crown land for commercial recreation
  - unresolved First Nation rights and title issues.

4.0 INVESTMENT REQUIREMENTS

- Capital costs for a multi-day hiking operation without pack animals are relatively small. Capital costs for a small backpacking operator capable of handling up to 10 guests are approximately $40,000 to $60,000 (includes camping and hiking gear, VHF radios, safety gear and a vehicle for transporting guests). These estimates do not include the cost of

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acquiring tenure (up to $15,000), developing a business and marketing plan (approximately $10,000) and the cost of incorporating a business (approximately $3,000).

- Trekking operators would have similar capital costs for equipment and transportation along with the additional cost of acquiring pack animals (approximately $6,000 based on 6 llamas/horses at an average cost of $1,000 each and an additional $3,000 for packing gear) and related building/infrastructure (approximately $40,000 for barn stables, storage, etc.). (See Multi-day horseback trail riding building block for additional cost information on pack animals.)
- Major operating costs include insurance, labour (guides), food and supplies and feed and animal care for trekking operations. In addition, operations require marketing and other administration start-up costs such as legal fees, licenses, permits, etc.
- Multi-day hiking operations are often set up conjunction with a lodge, which would require a much higher investment.
- A 1988 study of adventure travel in BC indicated that mountaineering/backpacking operators had an average investment of $45,000.[1]
- Business growth constraints include difficulties in gaining adequate market share, developing a reputation and creating a market niche (product/location).

5.0 INFRASTRUCTURE

- Marked or mapped trail networks sufficient to support multi-day hiking, camping sites, signage and marked trail heads.
- Hiking trails are less costly to develop than mountain biking or horseback riding trails because they require a narrower foot tread.
- Established trails require ongoing maintenance to ensure their viability and safety.
- Related infrastructure for trekking operations includes stables and associated infrastructure for keeping llamas or horses.
- Access to trailheads and trails that lead to wilderness areas.

6.0 MARKET

- Backpacking and trekking trips range on average from 2 to 14 days with the average length of a package being about 6 days. Most operators offer custom trips tailored to meet the needs of a group of guests.
- Package prices range from $140 to $250 per day per person (including guides, meals, equipment and pack animals (trekking). Most packages provide fixed roof accommodation for the first and last nights of the trip.
- Hiking is one of the fastest growing outdoor recreation activities. Between 1982/83 and 1994/95, the US market grew by 93 percent from 24.7 million to 47.7 million participants.[2]

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- Hiking/trekking was ranked as the 4th most important activity out of 12 ecotourism activities among general ecotourists and ranked as 2nd among experienced ecotourists in a North American survey of ecotourists[3]
- Hiking is the second fastest growing land based activity in the US with about 558 million hiking trips in 1995[4]
- 20 percent or more of all overnight BC visitors (including BC residents) participate in hiking/backpacking activities as part of their trip resulting in a potential hiking market of more than 5 million adults (1998).[5]
- The hiking market comprises an equal number of males and females and includes a relatively even participation rate across all age groups.[6]
- The main season for multi-day hiking extends from mid June to the end of September (depending on the location and weather conditions).
- Multi-day hiking trips feature a range of activities from wildlife viewing and nature interpretation, to fishing and First Nations heritage and culture.
- Many parts of Canada and the US provide opportunities for multi-day hiking. BC is ideally suited in terms offering a wide range of high hiking terrain.
- Multi-day hiking operators will need to add value to the hiking products they offer (e.g., high quality service and meals, exposure to unique features, interpretation, etc.) to differentiate their product from unguided hiking.

7.0 LABOUR MARKET

- Operators require guides with outdoor camping and survival skills, leadership and group management skills, and ability to interact well with people, ability to convey knowledge in an interesting and informative way. Some operators require guides to have additional certification such as Association of Canadian Mountain Guides, First Aid and BC Food Safe training). For trekking operations, guides also need experience in handling horses or llamas and packing.
- Typically a multi-day trip will require one guide and up to two assistant guides depending on the number of guests and the type of trip being offered. (Typically operators will provide one guide/assistant guide for every four guests.)
- Wage rates range between $170 and $250 per day for a guide and between $140 and $170 for an assistant guide/cook. Workers typically receive food and lodging, which makes wage comparisons with other industries difficult. Also, many operations are owner-operated and employ family labour.
- Owner/operators typically play an active role in the operation of the business including marketing, business management, administration, etc.

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8.0 CAPACITY

- The major constraints to growth are market related rather than resource related.
- Operators prefer trail networks that are not heavily used by other recreation users. As backcountry recreation/tourism continues to grow in popularity, access to quality trail networks may become more of a limiting factor.
- Most areas of British Columbia have the capacity to develop and expand hiking trail systems.

9.0 REGULATORY REGIME

9.1 Use of Provincial Parks

- Tourism operators using Provincial Parks require Park Use Permits (PUP).

9.2 Use of Crown Lands:

- In 1998, the B.C. government introduced a commercial recreation management program requiring operators to acquire licenses for extensive use of Crown lands.
- The 1998 regulations require outdoor operators to apply for a Licence of Occupation for each area of Crown land they plan to use for more than 14 days in a six month period. Annual fees for a base camp are $500, plus $100 per site for satellite sites (excluding an application fee of $107 per operator). This grants holders the right to occupy a site over any other commercial users, but recreational users continue to have over-riding priority on any site, licensed or not.[7] In some cases, tenure holders may be allowed to build improvements on specific sites, and they may be granted exclusive rights to those improvements.[8]
- The 1998 regulations for the use of crown land sets permitting fees for non-motorized commercial use at $1.00 per client day, with a minimum of $500 per year. The B.C. Government is working with industry to implement the B.C. Commercial Recreation Policy and to encourage operators offering fee-for-service activities on crown land to register tenures.
- The 1998 regulations specify that the issuing of a license requires the completion of a long term management plan and a minimum of $1 million in third party liability insurance.
- If a backpacking/trekking operator plans to use public trails, then consent would be required from the responsible agency (e.g. Ministry of Forests).
- Where Crown land is required for the purposes of grazing pack animals, then a range lease would be required from the Ministry of Forests.

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10.0 GOVERNMENT REVENUES

- Government revenues are generated through corporate and personal income taxes and through Park Use Permits and Licenses of Occupation for Crown lands.
- Operators and guests are also required to pay for fishing licenses when fishing is included as part of touring expeditions.

11.0 INPUT-OUTPUT TABLE – MULTI-DAY HIKING

Indicator	1986 Average	Current indicators for an operation serving up to 10 guests per trip	
Number of Operations	47operators Includes hiking and mountaineering)	A large number of resort/lodge based operators and individual guide-outfitters offer hiking tours; Approximately 40 operators offer trekking: 2-5 use llamas and between 30 and 35 use packing horses	
Land Resource Requirements	Trail network, camping sites (Grazing land for trekking operations)	Trail network, camping sites, (Grazing land for trekking operations)	
Crown Resources Accessed/Used	Trail network and camping sites	Trail network and camping sites, range use tenures	
Product Created	Multi-day hiking packages (includes mountaineering and likely includes single day hiking operations)	Multi-day hiking packages	
Investment	$45,000 per operator	Backpacking Equipment $20,000 Vehicle 35,000 Total: $55.000	Trekking (incremental) Pack animals $6,000 Gear 3,000 Facilities 40,000 Total: $49,000
Sales	$125,500 (Likely includes revenue for lodging in addition to multi-day pack trips)	$100,000 (Assumes 500 client days @ $200 per day)	

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Indicator	1986 Average	Current indicators for an operation serving up to 10 guests per trip
Employment	5.5 Person Years (PY) of employment per operator (likely includes employees working in accommodation facility) $49,000 in wages per operator or $8,800 per PY	Approximately $30,000 (Assumes an average of 2.5 employees per trip at an average wage of $160 per day for 75 days) Owner-operator often works part of the year to plan and market business.
Purchases of goods and services	Not available	Approximately $15,000 in food and supplies ($30 per client day)
Government Revenues	Not available	$1,000 to 5,000 per year depending on number of guests and number of trail systems and camping sites used.

Source: 1986 data: The Outdoor Recreation Council of B.C., *Adventure Travel in British Columbia, Summary*, March 1988.

Current indicators: prepared by *Stuart Gale & Associates Ltd.* based on interviews with operators and other documents.

11.1 Preliminary Income Statement – Multi-day Hiking

	Typical Operation (Up to 10 guests per trip)
Revenues	$100,000 500 client days @ $200 per day
Wages (incl. WCB, UIC, etc.)	$30,000 (Average of 2.5 employees earning an average of $160 per day for 75 days)
Marketing, Promotion and Travel	$3,000
Food and supplies	$15,000
Maintenance	$4,000
Transportation (vehicle and gas)	$4,500
Insurance	$ 2,500
Government fees/permits	$3,000
Sub-total Variable Costs	$62,000
Contribution towards Fixed Costs, Debt Interest and Owner	$38,000 (38.0%)

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The main data sources for this building block include:

- Interviews with operators and industry representatives.
- Internet web sites of various commercial operators.
- The ARA Consulting Group, *Williams Lake Forest District Tourism Opportunities Study*, April 2001.
- The ARA Consulting Group and HLA Consultants, *Ecotourism – Nature/Adventure/Culture: Alberta and British Columbia Market Demand Assessment, Consumer Telephone Survey*, 1995.
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[1] The Outdoor Recreation Council of British Columbia, 1988, *Adventure Travel in British Columbia*, (p. 8)

[2] Dawson Creek (add reference)

[3] The ARA Consulting Group and HLA Consultants, 1995, Ecotourism – Nature/Adventure/Culture: Alberta and British Columbia Market Demand Assessment, Main Report, page 3-5

[4] The ARA Consulting Group, 2001, Williams Lake Forest District Tourism Opportunity Study (p. 107)

[5] Ibid (p. 108)

[6] Ibid (p. 108)

[7] B.C. Ministry of Water, Land and Air Protection, wlapwww.gov.bc.ca, 2002; also, Land and Water British Columbia, www.lwbc.bc.ca/for business/commercial recreation, 2002.

[8] Outdoor Recreation Council of B.C., *Examining a Trail Strategy for B.C. from the Demand Perspective*, 2000.

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